

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-10 NSAE-00 USIA-06 XMB-02 OPIC-03 SP-02
LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07 CEA-01
L-03 /089 W

-----086076 230519Z /17

R 221641Z MAR 78
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 4443
TREASURY DEPT WASHDC
INFO AMEMBASSY LISBON
AMEMBASSY VIENNA
AMEMBASSY BONN

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E.O. 11652: N/A
TAGS: EFIN
SUBJECT: UK/PORTUGUESE LOAN AGREEMENT

REF: LONDON 3963

1. H.M. TREASURY HAS PROVIDED FOLLOWING COMPLETE DETAILS
ON THE UK LOAN AGREEMENT SIGNED IN LISBON ON MARCH 10.

QUOTE A) THE LOAN IS FOR US\$20 MILLION AND IS SO DENOMINATED;

B) IT IS A BALANCE OF PAYMENTS LOAN FROM HMG, MADE
AVAILABLE BY THE MINISTRY OF OVERSEAS DEVELOPMENT AND H.M.
TREASURY USING APPROPRIATED FUNDS;

C) THE LOAN WILL HAVE A MATURITY OF SEVEN YEARS WITH
A GRACE PERIOD OF THREE YEARS ON THE REPAYMENT OF PRINCIPAL;

D) THE LOAN CARRIES AN INTEREST RATE FIXED FOR THE
WHOLE AMOUNT OF THE LOAN AT 3/4 PERCENT ABOVE THE MARKET
RATE FOR 7 YEARS EURODOLLARS AT THE TIME OF THE SIGNING

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OF THE AGREEMENT. THE MARKET RATE FOR 7 YEAR EURODOLLARS
ON 10 MARCH WAS 8-11/16 (EIGHT & ELEVEN SIXTEENTHS) PERCENT.
THE RATE OF INTEREST FOR THE LOAN IS THEREFORE
9-7/16 (NINE & SEVEN SIXTEENTHS) PERCENT;

E) THE LOAN WILL BE DISBURSED IN TWO EQUAL INSTALLMENTS
OF \$10 MILLION EACH. THE FIRST INSTALLMENT IS NOW
BEING PAID. THE SECOND WILL BE PAID AFTER PORTUGAL HAS

REACHED AGREEMENT WITH THE IMF ON A SECOND CREDIT TRANCHE,
PROVIDED PORTUGAL IS NOT IN BREACH OF ANY CONDITIONS WHICH
THE IMF MAY HAVE ATTACHED TO SUCH A STANDBY, THE PRECISE
DATE TO BE DETERMINED IN CONSULTATION WITH THE GOVERNMENT
OF PORTUGAL. UNQUOTE

STREATOR

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LOAN AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Errors: N/A
Expiration:
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Format: TEL
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780338/aaaabfwc.tel
Line Count: 69
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d163c1bf-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Exemptions: n/a
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SAS ID: 3240985
Secure: OPEN
Status: NATIVE
Subject: UK/PORTUGUESE LOAN AGREEMENT
TAGS: EFIN, PO, UK
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